

Wells County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Wells County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Wells County has five cross-county units and is the major county for each unit. Zanesville Town crosses into Allen County. Markle Town, Markle Library, and Rock Creek Conservancy all cross into Huntington County. Finally, the Mideast Indiana Solid Waste District crosses into Jay and Blackford Counties.

Wells County has one conservancy district, Rock Creek Conservancy District. A Conservancy District is a special taxing district created to provide flood control, irrigation, potable water or wastewater service within a specified area. The cost of providing these services are charged to landowners in the form of a special assessment based on the benefit provided. These special assessments are added to the property tax bill of each landowner and collected along with property taxes. Since the benefit derived may not relate to the assessed value of the property, these assessments are normally expressed in terms of dollars of assessment and not as a tax rate per \$100 of net assessed value. Therefore, the Conservancy District special assessment has not been included in this analysis.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was approximately \$1.8 million or 6.60%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Northern Wells Community School Corporation (\$1,420,027) and the Southern Wells Community School Corporation (\$440,284).

Wells County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$3,221,870	\$3,449,203	\$227,333	7.06%
Health	182,142	79,104	-103,038	-56.57%
Children's Psychiatric Res Treatment	79,612	-0-	-79,612	-100.00%
Jail Lease Rental	240,042	-0-	-240,042	-100.00%

Wells County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare – Family and Children	\$305,179	\$305,505	\$326	0.11 %

Total County levy decreased by \$227,722 or 5.07%.

Harrison Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance Loan	\$200,571	\$9,906	-\$190,665	-95.06 %

Total Township levy decreased \$191,323 or 61.96%.

Liberty Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Township Assistance	\$6,454	\$9,121	\$2,667	41.32 %
Fire	8,350	14,992	6,642	79.54 %

Total Township levy increase of \$9,615 or 36.52%. Township received excess levy appeals for Emergency Assistance (\$2,680) and for Volunteer Fire (\$6,033).

Southern Wells Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,439,294	\$1,735,424	\$296,130	20.57 %
Capital Projects	500,460	602,997	102,537	20.49 %

Total School levy increase of \$440,284 or 15.78%. General fund had a levy excess in 2007 that went away in 2008.

Northern Wells Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$4,359,904	\$5,012,564	\$652,660	14.97 %
Debt Service	1,431,370	1,661,661	230,291	16.09 %
Bus Replacement	-0-	266,134	266,134	-%

Total School levy increase of \$1,420,047 or 15.64%. General fund had a levy excess in 2007 that went away in 2008. Bus Replacement fund was used to neutralize pension debt in 2007, but levy was restored in 2008.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	11.92%
Industrial	7.60%
Commercial	28.18%
Residential	12.09%
Exempt	13.39%
Utility	33.09%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	21.53%	21.29%
Industrial	5.13%	4.87%
Commercial	7.82%	8.86%
Residential	55.61%	55.05%
Exempt	9.86%	9.88%
Utility	0.05%	0.06%

As can be seen from the analysis, a shift from residential, industrial, and agricultural property to commercial and exempt property occurred. This shift was approximately 1.06%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

<u>District</u>	<u>Change in NAV</u>	<u>Change in Levy</u>	<u>Change in Gross Tax Rate</u>	<u>Change in Business Personal Property Net Tax Rate</u>	<u>Change in Real Estate and Other Personal Property Net Tax Rate</u>	<u>Change in Homestead Net Tax Rate</u>
CHESTER TOWNSHIP	17.76%	11.96%	-4.93%	-4.22%	-2.79%	-15.81%
PONETO TOWN-CHESTER TOWNSHIP	14.99%	8.40%	-5.73%	-5.33%	-3.42%	-19.54%
HARRISON TWP	6.69%	0.00%	-6.27%	-5.10%	-4.64%	-14.51%
BLUFFTON CITY-HARRISON TOWNSHI	6.53%	-1.22%	-7.27%	-6.56%	-5.56%	-17.25%
PONETO TOWN-HARRISON TWP	16.42%	8.58%	-6.74%	-5.95%	-4.86%	-17.61%

VERRA CRUZ TOWN	-16.86%	-21.17%	-5.19%	-3.85%	-3.42%	-14.02%
JACKSON TOWNSHIP	15.31%	9.80%	-4.78%	-4.03%	-2.58%	-15.77%
JEFFERSON TWP	18.11%	13.70%	-3.73%	-1.75%	-0.64%	-11.68%
OSSIAN TOWN	7.12%	2.28%	-4.52%	-3.03%	-1.79%	-12.59%
LANCASTER TOWNSHIP	13.73%	9.20%	-3.99%	-2.03%	-0.84%	-11.95%
BLUFFTON CITY-LANCASTER TWP-N	22.44%	15.49%	-5.68%	-4.62%	-2.96%	-15.95%
BLUFFTON CITY-LANCASTER TWP-BL	-7.71%	-12.82%	-5.53%	-4.52%	-3.20%	-15.02%
LIBERTY TOWNSHIP	14.71%	10.01%	-4.10%	-3.17%	-1.58%	-14.59%
PONETO TOWN-LIBERTY TWP	5.25%	-0.60%	-5.56%	-5.18%	-3.19%	-19.31%
NOTTINGHAM TOWNSHIP	20.17%	14.15%	-5.01%	-4.32%	-2.81%	-16.16%
ROCKCREEK TOWNSHIP	16.13%	11.48%	-4.00%	-2.07%	-0.90%	-11.97%
MARKLE TOWN-ROCKCREEK TOWNSHIP	5.26%	9.10%	3.65%	6.14%	7.93%	-10.25%
UNIONDALE TOWN-ROCKCREEK TOWNS	11.96%	6.79%	-4.62%	-3.16%	-1.55%	-14.42%
UNION TOWNSHIP	20.23%	15.36%	-4.05%	-2.11%	-0.96%	-11.93%
MARKLE TOWN-UNION TOWNSHIP	0.33%	4.03%	3.69%	6.19%	7.98%	-10.18%
UNIONDALE TOWN-UNION TOWNSHIP	9.03%	4.03%	-4.59%	-3.12%	-1.51%	-14.35%
ZANESVILLE TOWN-UNION TOWNSHIP	12.07%	7.56%	-4.03%	-2.33%	-0.77%	-13.69%
Average	13.07%	6.62%	-4.16%	-2.84%	-1.50%	-14.55%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate. Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC and Homestead Credits.

The estimated reduction in net homestead tax bills for Wells County is 46.91%. This reduction does not include the effect of the CEDIT Homestead Credit. The CEDIT Homestead Credit required assessed values from the billing abstract, which isn't available at the time of this analysis.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	13.3%	3.8%	19.1%	21.5%	25.0%	17.3%
Industrial	20.5%	5.4%	15.1%	39.8%	7.8%	11.4%
Residential	19.7%	3.2%	29.4%	24.6%	13.9%	9.2%
Overall	16.2%	2.7%	22.9%	36.3%	13.5%	8.3%